



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

TO: State Mineral Board Members

FROM: Rachel Newman, CPA 
Audit Director
Mineral Income Division

DATE: December 12, 2012

Audit Committee Meeting Agenda

A meeting of the Audit Committee of the State Mineral and Energy Board will be held on Wednesday, December 12, 2012, following the Nomination and Tract Committee Meeting, in the LaBelle Room, First Floor, LaSalle Building, located at 617 North Third Street, Baton Rouge, Louisiana.

Items on the agenda are as follows:

1. A recoupment request from Apache Corporation for an overpayment in the amount of \$54,449.84. The state lease numbers involved are 20223 and 20224. For the sales month of July 2012, Apache Corporation paid oil royalties based on an incorrect volume.
2. A recoupment request from EnCana Oil & Gas (USA), Inc. for an overpayment in the amount of \$157,268.07. The state lease number involved is 20476. For the sales months of May through August 2010, EnCana Oil & Gas paid gas royalties when another party was responsible for the full 100% payment of the royalty.
3. A recoupment request from J-W Operating Company for an overpayment in the amount of \$35,734.49. The state lease number involved is 18371. For the sales month of May 2011, J-W Operating Company paid gas royalties based on an incorrect volume.
4. A penalty waiver request from Clayton Williams Energy, Inc. for a penalty in the amount of \$13,536.78 which was billed for the late payment of royalty. Clayton Williams Energy paid the state a total of \$370,565.75 in late royalty for the disposition dates of February 2010 through January 2012. The payment was received on March 26, 2012. This billing was not related to a field audit. Clayton Williams Energy, Inc. paid \$4,790.57 in interest charges on September 21, 2012.

5. A penalty waiver request from Harvest Group, LLC for a penalty in the amount of \$14,872.85 which was billed for late payment of royalty. Harvest Group paid the state a total of \$41,455.80 in late royalty for the disposition dates of January 2010 through May 2012. The payment was received on July 25, 2012. This payment was not related to a field audit. Harvest Group, LLC was billed and paid \$3,999.91 in interest charges on September 20, 2012.
6. A penalty waiver request from Stone Energy Corp. for a penalty in the amount of \$14,068.10 which was billed for late payment of royalty. Stone Energy paid the state a total of \$84,639.58 in late royalty for the disposition dates of June 2010 through January 2012. The payment was received on April 5, 2012. This payment was not related to a field audit. Stone Energy Corp. was billed and paid \$2,831.27 in interest charges on May 31, 2012.
7. Staff report to the committee that the election for December 2012 gas royalty is to be paid on a processed basis at the Discovery Plant at Larose and the Sea Robin Plant at Henry per the terms of the State Texaco Global Settlement Agreement.

The Committee may discuss matters it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).